

ARC/Citibank Card Program

Updated September 3, 2002

How does it work?

Customer agencies can obtain purchase cards through ARC's purchase card program with Citibank. Cardholders and their Approving Officials must each complete separate application forms to receive the purchase cards. Citibank issues cards directly to Cardholders within a couple weeks.

How do we use the cards?

The purchase card should be used to make micro-purchases under \$2500. No documentation is required to be submitted to the accounting or purchasing office prior to making a purchase. The Cardholder is responsible for ensuring funds are available and proper approvals are obtained prior to making a purchase.

Specific purchasing guidelines are provided in the purchase card procedures on the customer web page. Each Cardholder and Approving Official is required to take an online training course, to ensure they understand the responsibilities of being a Cardholder or Approving Official.

Each card will be assigned spending controls based upon its intended use. The card limits are per transaction (usually \$2500) and per cycle (monthly). These limits help minimize the risk of exceeding funding levels.

Some Cardholders may be eligible for higher spending limits. Alternate procedures may be adopted with these transactions.

Who should be issued a card?

Purchase cards are usually issued to a designated employee responsible for making purchases for an organizational cost center. The Approving Official is generally the management official responsible for the funds. This is usually the direct supervisor of the Cardholder, and has knowledge about the purchases being made.

Can more than one person use the card?

Only the Cardholder should use the card. If there is a need for purchases to be made in the absence of the Cardholder, additional cards should be issued. The Cardholder is liable for all unauthorized purchases made on the card, so only the Cardholder is authorized to make a purchase with the card.

How are purchase card transactions reconciled and approved?

All Cardholders and their Approving Officials have access to CitiDirect, an internet-based system provided by Citibank for reconciling and approving purchase card transactions. Cardholders can reconcile their charges throughout the month and forward the completed monthly electronic statement to their Approving Official at the end of the billing cycle. The Cardholder has five working days after the end of the billing cycle to submit his or her statement to their Approving Official. Approving Officials have an

additional five working days to approve the billing statement before the statement is automatically closed and submitted to the accounting office for payment.

When is the beginning date for using the CitiBank electronic statement?

To avoid using the paper statements, the first statement that should be reviewed via CitiDirect will be the statement ending November 8. Statements for the month ending October 8 will be processed using the paper statements. Current Cardholder purchases made October 8 and prior will be on the paper statement. New Cardholders should not begin using their card until October 9, 2002.

How are purchase card transactions recorded in the accounting system?

Cardholders and their Approving Officials designate the possible accounting codes that may be needed for purchases by the Cardholder. The most commonly used accounting code is established as the default master accounting code. The default master accounting code is assigned to a transaction when a Cardholder chooses not to reallocate to an alternative accounting code within the CitiDirect system. Approving Officials also have the ability to assign or change accounting codes on transactions within CitiDirect.

Accounting codes consist of fund, cost center, and budget object codes. Additional codes for reporting categories and programs are also available.

What if a Cardholder forgets to reconcile their statement within CitiDirect?

ARC will remind Cardholders by e-mail when it is time to reconcile and submit the purchase card statements to their Approving Officials. If the Cardholder forgets, the statement is assigned the default master accounting code and automatically routed to the Approving Official after five working days. ARC will also remind the Approving Official when it is time to reconcile and approve the purchase card statement. If after five days the Approving Official doesn't reconcile and submit the statement, the system will automatically close the statement and forward the statement to ARC for payment.

What if a Cardholder is out on extended leave and the Approving Official is also not available?

You can have multiple Approving Officials for a Cardholder. If this is a concern, you may need to identify a primary and an Alternate Approving Official.

Are there additional approval levels in CitiDirect other than the Cardholder and Approving Official, such as a budget reviewer?

There are only two levels available in CitiDirect. If you have a need for a third person to be able to review purchases, that person should be established as an Alternate Approving Official. There would need to be an internal understanding between the Primary Approving Official and the Alternate Approving Official that the budget review had been completed. The notes feature in CitiDirect could be used to document the review of the transaction by the Alternate Approving Official.

How will ARC pay the electronic statement?

ARC will download a file of certified charges from the CitiDirect system. ARC's Citibank/Oracle Interface will automatically create invoices for immediate payment to Citibank. Each individual purchase card transaction will be recorded in the accounting system, including the merchant and Cardholder name. This detail will ensure users of the accounting system reports can accurately determine how the funds are being used.

If a transaction has been recorded under an incorrect accounting code, can it be corrected?

Once an e-statement has been closed, changes to the accounting code cannot be made in CitiDirect. Expenses can be transferred directly in Oracle Financials upon submission of a written request.

Why are program area purchase card transactions not obligated in advance?

Purchase card transactions for micro purchases are intended to offer a streamlined process, with little administrative effort required to procure and account for the transaction. Treasury and JFMIP recommendations support this streamlined approach.

What if a Cardholder needs to make a purchase greater than the micro purchase limit of \$2,500?

A purchase requisition must be submitted to your agency's contracting or procurement office. This is usually done by submitting a request in PRISM. Contact your contracting or procurement office if you have questions.

Will Cardholders use ESP Procurement Requests?

No, the ESP requests are no longer done with PRISM and ORACLE.

What if the Cardholder needs additional accounting codes added?

Cardholders can contact the CitiDirect system administrator in ARC for establishing new accounting codes. Questions concerning the appropriate accounting code to use should be directed to the Budget Officer of the customer agency.

Who keeps the receipts?

Cardholders and/or Approving Officials are expected to retain receipts and internal documents that indicate that prior approval of the purchase was received by the Cardholder. It is recommended that receipts be kept in a central file and made available in the event of an audit.

What if a Cardholder splits a transaction using the reallocation function in CitiDirect and later realizes the transaction should not be split?

The transaction split cannot be changed. It will be necessary to assign the correct accounting codes to each transaction created by the split.

How are disputed charges handled?

Cardholders are responsible for resolving overcharges or inaccurate charges by vendors. Claims of disputed charges must be filed timely. Disputes may be submitted

electronically in CitiDirect. CitiBank also requires a signed form for the authorizing signature.

Can procurement officials use CitiDirect for the card purchases they made?

Procurement Cardholders can use CitiDirect to reconcile electronic statements as well. Instead of having a default master accounting code assigned to their account, they will reference an order number and line number in the 'detail transaction description' field. The CitiDirect/Oracle Interface will attempt to match the card transaction to the order previously recorded by PRISM and liquidate the order in the accounting system. Those transactions that do not match are rejected and manually corrected by accounting technicians.

Who do I go to for help?

Purchasing with the card:

Becky Thompson 304-480-7079

Reconciling statements:

Bernadette Kern 304-480-7003 or

Mindy Parker 304-480-7022

Cheryl Frashure 304-480-7080

Sherri McLain 304-480-7084

Access problems:

CitiDirect Help Desk 800-790-7206